



Agenda

Finance Committee Meeting
August 13, 2007 – 5:15 pm
City Council Chambers

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES:

CITY CLERK'S OFFICE

DATE 8-10-07 TIME 2:00

SERVED BY Laura [Signature]

RECEIVED BY Ranell [Signature]

JULY 30, 2007

INFORMATIONAL AGENDA:

6. REPORT ON JULY 21, 2007 AUCTION PROCEEDS AND DISTRIBUTION (ROBERT RODARTE)

CONSENT AGENDA:

7. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 4 – INSTALL FIVE ART SCULPTURES FOR TRAFFIC CIRCLE AND MEDIANS; ALBUQUERQUE ASPHALT INC. (SABRINA PRATT)
8. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – CHEMICAL ANALYSIS SERVICES; ASSAIGAI ANALYTICAL (BRYAN ROMERO)
9. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 2 – ADDITIONAL ITEMS NOT PART OF ORIGINAL BID; A.S. HORNER, INC. (PETER MANZANARES)
10. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – ADVERTISING SERVICES FOR SANTA FE TRAILS (RFP NO. 07/49/P); TEMPLETON MARKETING SERVICES (JON BULTHUIS)
11. REQUEST FOR APPROVAL OF SANTA FE CIVIC CENTER PROJECT; (MARTIN VALDEZ)
 - A. REQUEST FOR APPROVAL OF CONSTRUCTION CHANGE ORDER NO. 4 TO CONSTRUCTION CONTRACT; CAMERON SWINERTON
 - B. REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO PROFESSIONAL SERVICES AGREEMENT – PROJECT MANAGEMENT CONSULTANT; HANDS ENGINEERING, LLC
 - C. REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO PROFESSIONAL SERVICES AGREEMENT – PROJECT ARCHITECT; FENTRESS BRADBURN ARCHITECTS, LTD.



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12. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT - ONE (1) WHEEL LOADER FOR WASTEWATER DIVISION; ELLEN EQUIPMENT, LLC (NICHOLAS SCHIAVO)
13. REQUEST FOR APPROVAL OF AGREEMENT – NUTRITION SERVICE INCENTIVE PROGRAM FOR SENIOR DIVISION; NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT AREA AGENCY ON AGING (RON VIALPANDO)
 - A. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT FROM GRANT REVENUE – GRANT FUND
14. REQUEST FOR APPROVAL OF CONTRACTS – CAPITAL OUTLAY; STATE OF NEW MEXICO, NEW MEXICO AGING AND LONG-TERM SERVICES DEPARTMENT (RON VIALPANDO)
 - A. REQUEST FOR APPROVAL OF BUDGET INCREASE FROM GRANT REVENUE – GRANT FUND
15. REQUEST FOR APPROVAL OF CONTRACT – STATE FUNDED SENIOR EMPLOYMENT PROGRAM; NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT AREA AGENCY ON AGING (RON VIALPANDO)
 - A. REQUEST FOR APPROVAL OF BUDGET INCREASE FROM GRANT REVENUE – GRANT FUND
16. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT - THIRTY-NINE (39) ALTERNATIVE FUEL POLICE PURSUIT VEHICLES; RELIABLE CHEVROLET (POLICE CHIEF ERIC JOHNSON)
17. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT - POLICE VEHICLE EQUIPMENT AND INSTALLATION; WEST MESA AUTO CRAFTS (POLICE CHIEF ERIC JOHNSON)
18. REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT – THREE (3) POLICE TRAINED DOGS; K-9 SERVICES (POLICE CHIEF ERIC JOHNSON)
 - A. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT – SPECIAL REVENUE-FEDERAL FORFEITURE FUND
19. REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE PRICE AGREEMENT - BACKHOE LOADER FOR STREETS DIVISION; TOM GROWNEY EQUIPMENT (ROBERT RODARTE)
20. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – HEAVY DUTY MOTOR GRADER FOR STREETS DIVISION; TOM GROWNEY EQUIPMENT (ROBERT RODARTE)



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21. REQUEST FOR APPROVAL – COMPLYING WITH PRE-CONDITIONS ASSOCIATED WITH INAUGURATION OF AMERICAN EAGLE AIRLINES REGIONAL JET SERVICE BETWEEN SANTA FE AND DALLAS-FORT WORTH, TX, AND BETWEEN SANTA FE AND LOS ANGELES, CA (JIM MONTMAN)
22. REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING THE DOWNTOWN VISION PLAN WITH THE RECOMMENDATIONS OF THE DOWNTOWN VISION PLAN STEERING COMMITTEE (COUNCILORS DOMINGUEZ AND WURZBURGER) (KATHERINE MORTIMER)
23. REQUEST FOR APPROVAL OF A RESOLUTION REPEALING RESOLUTION NO. 2004-20 REGARDING THE CITY PLANNING POLICY COMMISSION (COUNCILORS BUSHEE, ORTIZ AND MAYOR COSS) (JEANNE PRICE)
24. REQUEST FOR APPROVAL TO PUBLISH NOTICE OF PUBLIC HEARING ON SEPTEMBER 26, 2007 AN ORDINANCE ESTABLISHING THE LONG RANGE PLANNING SUBCOMMITTEE OF THE PLANNING COMMISSION (COUNCILOR BUSHEE) (JEANNE PRICE)
25. REQUEST FOR APPROVAL OF A RESOLUTION APPROVING PARTICIPATION IN THE PROGRAM OF THE NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT (COUNCILORS WURZBURGER AND MAYOR COSS) (SCOTT BECKMAN)
26. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – RESEARCH AT STATE ENGINEER OFFICE FOR WATER DIVISION; LEE WILSON & ASSOCIATES (DALE LYONS)

DISCUSSION:

27. CONSIDERATION OF SHORT-TERM RENTAL ORDINANCES:
 - A. **(THIS IS A PUBLIC HEARING)** REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 14-6.2 (A) (6) (a) SFCC 1987; CREATING A NEW SECTION 14-6.2 (C) (12); AMENDING SECTION 14-6.3 (C) (1); AMENDING TABLE 14-8.6-1 SFCC 1987; AND MAKING SUCH OTHER CHANGES AS ARE NECESSARY; REGARDING THE SHORT TERM RENTAL OF DWELLING UNITS IN RESIDENTIAL DISTRICTS (COUNCILOR WURZBURGER) (JEANNE PRICE)
 - B. **(THIS IS A PUBLIC HEARING)** REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 14-6.2 (A) (6) (a) SFCC 1987; CREATING A NEW SECTION 14-6.2 (C) (12); AMENDING TABLE 14-8.6-1 SFCC 1987; AND MAKING SUCH OTHER CHANGES AS ARE NECESSARY; REGARDING THE SHORT TERM RENTAL OF DWELLING UNITS IN RESIDENTIAL DISTRICTS (COUNCILOR HELDMEYER) (JEANNE PRICE)



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28. REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – TREE RING STUDY AND STREAM FLOW AT UPPER WATERSHED AREA; UNIVERSITY OF ARIZONA (Postponed at Finance Committee Meeting of July 30, 2007) (CLAUDIA BORCHERT)
29. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO RESEARCH VARIOUS OPTIONS FOR THE CITY OF SANTA FE TO PROVIDE FUNDING MECHANISMS TO PROMOTE HEALTHY LIFESTYLES FOR CHILDREN AND ADOLESCENTS (COUNCILORS ORTIZ, WURZBURGER, DOMINGUEZ AND TRUJILLO) (LYNN HATHAWAY)
30. REQUEST FOR APPROVAL – ESTABLISHMENT OF POLICY FOR SICK LEAVE INCENTIVES FOR NON-BARGAINING UNIT EMPLOYEES (KRISTINE KUEBLI)
31. REQUEST FOR APPROVAL OF TRANSFER OF PROPERTY – LOCATED AT WEST ALAMEDA AND WEST SAN FRANCISCO STREET; SANTA FE CIVIC HOUSING AUTHORITY INC. (KATHY MCCORMICK)
32. REQUEST APPROVAL OF A RESOLUTION ADOPTING AN INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP) (ROBERT ROMERO)
33. OTHER FINANCIAL INFORMATION
34. MATTERS FROM THE COMMITTEE
35. ADJOURNMENT

Interpreter for hearing impaired is available through City Clerk's Office upon 5 days notice.

**SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
Monday, August 13, 2007**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1-2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
APPROVAL OF MINUTES: JULY 30, 2007	Approved	2
REPORT ON JULY 21, 2007 AUCTION PROCEEDS AND DISTRIBUTION	Information/discussion	2-3
CONSENT AGENDA LISTING		3-5
<u>DISCUSSION AGENDA</u>		
CONSIDERATION OF SHORT-TERM RENTAL ORDINANCES [public hearing]:		
A. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 14-6.2(A)(6)(a) SFCC 1987; CREATING A NEW SECTION 14-6.2(C)(12); AMENDING SECTION 14-6.3(C)(1); AMENDING TABLE 14-8.6-1 SFCC 1987; AND MAKING SUCH OTHER CHANGES AS ARE NECESSARY; REGARDING THE SHORT TERM RENTAL OF DWELLING UNITS IN RESIDENTIAL DISTRICTS	Approved [amended]	6-21
B. (THIS IS A PUBLIC HEARING). REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 14-6.2(A)(6)(a) SFCC 1987; CREATING A NEW SECTION 14-6.2(C)(12); AMENDING TABLE 14-8.6-1 SFCC 1987; AND MAKING SUCH OTHER CHANGES AS ARE NECESSARY; REGARDING THE SHORT TERM RENTAL OF DWELLING UNITS IN RESIDENTIAL DISTRICTS	No action	6-21
REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT - TREE RING STUDY AND STREAM FLOW AT UPPER WATERSHED AREA, UNIVERSITY OF ARIZONA	Postponed to next meeting	22-24

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST APPROVAL OF A RESOLUTION ADOPTING AN INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP)	To Public Works w/o recomm.	24-25
REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO RESEARCH VARIOUS OPTIONS FOR THE CITY OF SANTA FE TO PROVIDE FUNDING MECHANISMS TO PROMOTE HEALTHY LIFESTYLES FOR CHILDREN AND ADOLESCENTS	Approved [amended]	25-26
REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING THE DOWNTOWN VISION PLAN WITH THE RECOMMENDATIONS OF THE DOWNTOWN VISION PLAN STEERING COMMITTEE	Approved	26-27
REQUEST FOR APPROVAL – ESTABLISHMENT OF POLICY FOR SICK LEAVE INCENTIVES FOR NON-BARGAINING UNIT EMPLOYEES	Direction to staff	27-30
REQUEST FOR APPROVAL OF A RESOLUTION REPEALING RESOLUTION NO. 2004-20, REGARDING THE CITY PLANNING POLICY COMMISSION	Approved	30
REQUEST FOR APPROVAL TO PUBLISH NOTICE OF PUBLIC HEARING ON SEPTEMBER 26, 2007, AN ORDINANCE ESTABLISHING THE LONG RANGE PLANNING SUBCOMMITTEE OF THE PLANNING COMMISSION	Approved [amended]	30-31
REQUEST FOR APPROVAL OF TRANSFER OF PROPERTY LOCATED AT WEST ALAMEDA AND WEST SAN FRANCISCO STREET; SANTA FE CIVIC HOUSING AUTHORITY, INC.	Withdrawn by staff	32
OTHER FINANCIAL INFORMATION	None	32
MATTERS FROM THE COMMITTEE	Information/discussion	32
ADJOURNMENT		32

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE
Monday, August 13, 2007**

1. CALL TO ORDER

A meeting of the Finance Committee was called to order by Chair Karen Heldmeyer, at 5:15 p.m., on Monday, August 13, 2007, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Karen Heldmeyer, Chair
Councilor Christopher Calvert
Councilor Carmichael Dominguez
Councilor Matthew Ortiz
Councilor Rebecca Wurzbarger

OTHERS ATTENDING:

Kathryn Raveling, Finance Director
Yolanda Green, Finance Division
Melessia Helberg, Stenographer.

There was a quorum of the membership in attendance for the conducting of official business.

NOTE: All items in the Committee packets for all agenda items are incorporated herewith by reference. The original Committee packet is on file in the Finance Department.

3. APPROVAL OF AGENDA

Ms. Raveling said there is a request to pull item #21, to go back to Public Works, noting more information was brought forward and it needs additional work, and it will come back to this Committee. Items #22, 23 and 24 should have been on the discussion agenda should be added and moved to the end of the agenda. Chair Heldmeyer said this is on the basis of what was discussed at public works.

Ms. Raveling said Item #31 is requested to be pulled from the agenda, because Public Works took action on this item, and would like to do the paper work to reflect this, and then it will be coming back to this Committee. She said there is a request to move item #32, to be heard after the public hearings.

Councilor Wurzbarger asked if there is some reason we can't leave Item #21 on the Consent and then let it go back to Public Works to whatever it is they need to do.

Chair Heldmeyer there are several things which should not have been on consent which were sent to this Committee for comment and were requested not to be on consent.

MOTION: Councilor Wurzburger moved, seconded by Councilor Calvert, to approve the Agenda as amended .

VOTE: The motion as amended was approved on a voice vote [absent: Councilor Ortiz].

4. APPROVAL OF CONSENT AGENDA

MOTION: Councilor Calvert moved, seconded by Councilor Wurzburger, to approve the Consent Agenda as amended.

VOTE: The motion was approved on a voice vote [absent: Councilor Ortiz].

5. APPROVAL OF MINUTES: JULY 30, 2007

MOTION: Councilor Calvert moved, seconded by Councilor Dominguez, to approve the minutes of the meeting of July 30, 2007, as presented.

VOTE: The motion was approved unanimously on a voice vote [absent: Councilor Ortiz].

6. REPORT ON JULY 21, 2007 AUCTION PROCEEDS AND DISTRIBUTION. (ROBERT RODARTE)

Kathryn Raveling presented information regarding this matter to the Committee from Robert Rodarte's Memorandum of August 9, 2007, which is contained in the Committee packets.

Responding to the Chair, Ms. Raveling said revenue from the auction was about average, and on the higher end.

Chair Heldmeyer asked what percentage of the revenue was from clearing out the Siler yards?

Ms. Raveling said she doesn't know. Responding to the Chair, Ms. Raveling said if a garbage truck is sold, those funds go back into Solid Waste. She noted that there is a summary in the packet on how the proceeds were distributed.

Mr. Romero said most of the stuff for sale, especially vehicles, is way overdue. He has been working with Mr. Rodarte and got rid of a lot of old metal, but a lot of stuff went to the transfer station because it no longer had any value. He said a lot was stuff which was accumulated by Parks over the past twenty years.

Chair Heldmeyer asked if the auction take salvage metal, noting there appeared to be a lot of scrap metal at the yards.

Ms. Raveling said salvage metal has been taken to auction, but it has also been sold separately and they work with a scrap iron firm to do that.

Chair Heldmeyer said then it appears revenue was about the same, and perhaps there is more to be sold.

Mr. Romero said this is correct.

Chair Heldmeyer asked Ms. Raveling to see that Councilor Trujillo gets a copy of this particular packet item.

CONSENT AGENDA

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22. *[Removed from the Consent Agenda to the Discussion Agenda]*

23. *[Removed from the Consent Agenda to the Discussion Agenda]*
24. *[Removed from the Consent Agenda to the Discussion Agenda]*
25. REQUEST FOR APPROVAL OF A RESOLUTION APPROVING PARTICIPATION IN THE PROGRAM OF THE NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT (COUNCILOR WURZBURGER AND MAYOR COSS). (SCOTT BECKMAN)
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Items #27(A) and (B) were combined for purposes of presentation, discussion and voting.

Councilor Ortiz arrived at the meeting at this time

Jeanne Price presented information regarding this matter to the Committee from her memorandum of August 9, 2007, with attachments, which is in the Committee packet [noting an incorrect date in the Recommendation, and said the Planning Commission recommended its approval on August 2, 2007].

RECOMMENDATION [from Staff Report]: On ~~June 7, 2007~~ August 2, 2007, the Planning Commission recommended approval of the attached bill labeled Planning Commission/Councilor Wurzbürger, regarding the regulation of short term rentals in residential districts. (The bill includes those amendments made by the Planning Commission at said meeting.)

The Planning Commission recommended denial of the attached bill labeled Councilor Heldmeyer.

Staff recommends that the parking requirement as set forth in the bill recommended by the Planning Commission/Councilor Wurzbarger be amended to reflect that two or more bedrooms require two off street parking spaces. The Planning Commission chairperson also recommends that an amendment be included that would require owners/operators to provide updated phone information on a yearly basis to the neighbors regarding who to contact for complaints.

The Business and Quality of Life Committee and the City Planning Policy Committee reviewed earlier drafts of the bills. Please see respective minutes for their discussion.

Public Hearing

Those speaking to the Ordinance

Simon Brackley, President, Santa Fe Chamber of Commerce, said this is a strong, clean, local industry, which is well established, and the kind of industry which the Economic Plan would support. This industry supports many jobs for local Santa Feans and it creates thousands of dollars in taxes and fees. The Chamber believes that the \$1,000 fee proposed for this industry will drive this industry further underground and may even expand the business so single renters can pay the \$1,000. He said the Chamber supports the payment of GRTs and Lodger's Tax by this industry, and would encourage participation and support of appropriate ordinances which cover this industry.

Janet Rouselou, owner of the Management Group, a property management firm, at 444 Galisteo, said she has owned this property management firm for about 30 years. She is speaking for herself, noting that other property management firms have a very similar history. She said they all have real estate licenses, are heavily regulated by the New Mexico Real Estate Commission, follow fair housing laws and HUD regulations, and have a business license with the City. The leasing of short term rentals, in her opinion, wasn't illegal until 2002, when the City Council, without proper notice, changed the wording in the ordinance. The notice in the newspaper stated, "housecleaning of Chapter 14." She doesn't think Councilors knew what this vote meant to the short term business. She said for almost 30 years, they have been contributing to bring the best element of tourism to Santa Fe, offering diverse lodging options. She said these tourists stay for longer periods of time, spend an enormous amount of money in shops, restaurants, galleries and attend our cultural events. The economic impact to our City must be considered.

Ms. Rouselou said the property managers collect Lodger's Tax. In July 2000, the State of New Mexico required that Lodger's Tax must be collected by property managers on rental units less than 30 days. Since that time, her firm has paid the City \$386,000 in Lodger's Tax, estimated to be 1/5 of the market, or a total of \$1.934 million in Lodger's Tax from the five firms. They also collect GRTs, and since 2000, her firm has paid \$527,000 in GRTs.

Chair Heldmeyer asked what they pay Lodger's Tax and GRTs on.

Ms. Rouselou said they pay GRTs on their fee which is a percentage of the rental, while Lodger's Tax is the percentage of the entire rentals just like hotels which is 7%.

Chair Heldmeyer said she has heard from other management groups that have a different way of calculating it or not calculating it at all.

Ms. Rouselou said most management companies to whom she has spoken, have paid Lodger's tax on rentals less than 30 days since 2000, because they were informed they had to do this. She said the figures she is quoting do not include any of the people who rent their homes out, but they would if this goes into effect. She said there are about 169 of those being offered according to the web.

Ms. Rouselou said there have been very few complaints over the years, and this is a lot of money for the City. She wants the Committee to think about, and consider, the economic value of sharing our City with other who wish to enjoy what we call home, and she knows we can work together.

James Dominic works with Janet at the Management Group. He said last year, they paid \$2.199 million to vendors who are the housekeepers, electricians, exterminators, and such, so these people are making over the City's minimum wage, which is something very important to consider. He said without short term rentals it would be only about 1/3 of that number.

Linda Buchser said she owns property adjacent to her home in which she hopes to have a short term rental. As a citizen she is concerned that there will be a huge increase in burglaries, if there are ordinances which leave a lot of these places vacant a lot of time. She said in thinking of the financial implications, perhaps the Committee could ask the Police Chief to comment on this possibility.

Bonifacio Armijo, member of the Planning Commission, and the subcommittee for Short Term Rentals, said he wants to endorse Councilor Wurzburger's proposed ordinance. There was a lot of feedback at the Planning Commission for and against short term rentals, which resulted in the formation of a subcommittee composed of himself, Signe Lindel and Michael Trujillo along with Councilor Wurzburger. The subcommittee looked at as many possibilities as it could to create enforcement for short term rentals, as well as giving leeway to any and all options which were brought up by both parties. He asked the Committee to endorse Councilor Wurzburger's proposal.

Marilyn Bane, 622½ B Canyon Road, said she worked to some degree with the Planning Commission Subcommittee, and believes they did a sterling job in dealing with the many, many ramifications of each of the issues which have arisen. They looked at what could be done to impose restraints without putting the people out of business, literally overnight. This has been an illegal activity.

Ms. Bane said the Subcommittee discussed what would put an onerous burden on people who want to be part of the short term rental industry, noting it is taking over the neighborhoods, and is sort of a "creeping algae" and needs to be regulated. She likes Councilor Wurzburger's ordinance because it has so many onerous constraints. With regard to the concern about the \$1,000 permit fee, she said the entire point of this is to get the funds to pay for the Code enforcement. It is her hope that it will discourage people from entering into this business, while not putting people who are in it, totally out of business.

Ms. Bane reiterated that the neighborhoods have constant concern about all this. She said Signe Lindel isn't here because she didn't know about the agenda change, but she knows that Ms. Lindel, as head of the Subcommittee, will want to comment on how they arrived at their recommendation. She urged the Committee to support Councilor Wurzburger's proposal.

Dina Aqualina, 327 Sanchez Street, asked if this provides for the hiring of Code people.

Councilor Wurzburger said yes.

Ms. Aqualina said purchasing residentially priced property in residential zones, and turning it into an intense commercial use is "just flat wrong." She bought her home to live in a neighborhood with other neighbors. Instead, with the short term rentals, it is like being in a motel parking lot with this constant turnover. She said in today's Journal, an article quoted the City Attorney. She like his idea of one rental per month, with a 7-day minimum, and she could support that enthusiastically. She said currently there are hundreds of legally zoned, vacation rentals in the BCD, and other appropriate commercial zones, which are at a 50% occupancy rate. She noted the hotel/motel occupancy rate also is down. She asked the Committee to consider the effect of legalizing this "rogue" industry on these legitimate entities in Santa Fe. She said if we enforce the current law, people will come to Santa Fe and spend the same money at art galleries and restaurants, but won't be spending money with the people who have been running these illegal businesses all these years.

Ms. Aquilina said in the early 1990s, the Council outlawed bed & breakfasts in residential neighborhoods, and a few years ago prohibited fractional ownership or vacation timeshares in residential neighborhoods. The effect of short term rentals is exactly the same. She hopes this Committee will protect the long term, full time, voting citizens of Santa Fe. She said some of the dire predictions about this issue are similar to those about the living wage, but the sky hasn't fallen and the Santa Fe business community is doing okay.

Ms. Aqualina said this practice of buying residential homes and renting them short term, is one of the factors which leads to loss of affordable housing for working Santa Feans and the inflation of the price of real estate. Her first preference is to enforce existing law, but she could support one rental per month with a one week minimum.

Jay Russell, 703 Paseo de la Loma, said he was born in the Santa Fe area and has lived in Santa Fe all his life. He and his wife have lived at their current residence for more than 35 years, which is just north of downtown. In the 1980s, he was a cofounder of the Near North Group Neighborhood Associations, with the principal goal of preventing commercial encroachment into residential areas near downtown.

Mr. Russell said read from an article in The Santa Fe New Mexican, about short rentals, "Short term rentals are commercial businesses. Short term rentals in residential neighborhoods are bad ideas because they are commercial businesses. The tax regulations [State and Federal] state that if the average period of a customer use is 30 days or less it is a business, and the proprietor is subject to self-employment tax in addition to income tax, and probably GRTs, Lodger's Tax and any licenses needed." [Mr. Russell hopes that all the people who are managing their own short term rentals are paying self-employment tax, which is about 15.3% of

the net profit.] "The ordinance as proposed, changes the zoning in residential neighborhoods and opens up all neighborhoods."

Mr. Russell said this will be available in every residential area all across town, and it isn't just a dispute among rich Anglos on the north end of town, which he has heard stated, and to which he objects.

Mr. Russell further quoted from the news article, "The ordinance as proposed, changes the zoning in residential neighborhoods and opens up neighborhoods in our City to the encouragement of businesses in addition to commercial investments, purchased at residential prices will decimate a neighborhood because the owners are absent and cohesion is lost. It will lead to Santa Fe becoming a hollow shell with just the appearance of someone lives here, especially in the downtown area."

Mr. Russell said there was another news article in the paper talking about the increase in burglaries. There was a series of meeting, and the Police Chief said the neighbors need to get together and protect each other. He asked how you can protect each other when the person next door changes every three days. At one time, we were going to have neighborhood watches, but the Police Department got down to one person in the department who was in charge of this issue. He said at one time, we were to have police on each shift assigned to neighborhoods, who were to get to know the neighborhoods and the people there, but that never occurred. He believes the burglary increase is because, in a number of these neighborhoods, you don't know your neighbor.

Mr. Russell referred to what he says is the most excellent summary of this issue from the neighborhood perspective, which is John Penn LaFarge's article in The New Mexican on August 12, 2007. Also, there was an excellent critique of the proposed ordinance in The Albuquerque Journal on August 5, 2007, which pointed out a lot of the errors and problems which still exist in the ordinance. He said he is a retired attorney, and believes there are a number of provisions in the ordinance which wouldn't stand up in court. The ordinance is vague, there are no standards, and it needs a lot of work to proceed with it. He said he personally is opposed to it.

Mr. Russell said in the past people knew everybody in their neighborhood. He said then came the bed & breakfast establishments, and the City Council at that time banned them except in the commercially zoned areas where they are today, noting some were grandfathered in as nonconforming uses. He spoke about the timeshares, and the totally illegal short term rentals which happened because, he believes, the current Council did not enforce existing law. This industry has grown to such size that the easy way out is to legalize it. Although it brings money to the City, he asked the Committee to consider what it does to the neighborhoods. He beseeched the Committee to protect the residential neighborhoods.

Mr. Russell said HOAs normally are formed in a negative way to oppose something, and the ordinance puts the burden on the HOAs and neighborhoods to object, but not on the person applying for a short term rental permit to talk to his neighbors and report that as part of their application. He said we are in the position of spying on our neighbors and reporting these. He said in the past people used to rent their houses during opera season for 30 days and complied with the ordinance. Now, lots of property is sold as 2nd, 3rd and 4th homes with the idea of renting them to pay the mortgage. He doesn't believe the owners are paying taxes and fees, and

believes there are at least 500 of these in addition to those managed by real estate agencies and management firms. He asked how the City will find them, noting the proposal only provides funds for two additional staff persons to find these businesses, enforcement, inspection and such. The costs to regulate this industry are vastly underestimated. He believes the City, legally, will step into a quagmire and is heading for a lawsuit. He said this, essentially, will rezone all residential areas for commercial use in all parts of towns. He asked the Committee please to protect the neighborhoods.

Reggie Cox, homeowner at 314 Delgado for more than 30 years, said in the past she has been subjected to people coming into her neighborhood, two doors down, bringing dogs and leaving them in the yard while they went out in the evening. The dogs barked until they returned well after midnight, and no one on the street could sleep because of the barking dogs. She spoke about the loud parties where she had to call the police, and once had to stand outside in her robe until the Police made these people pick up their band instruments and leave. She said short term rentals are destroying historic neighborhoods in this area. The City needs to take responsibility for this. She would appreciate it if Mr. Katz and the elected City officials would ensure that the existing laws are enforced. This is the problem.

Richard Martinez, 725 Macias Road, said he believes we should discourage short term rentals because of the lack of affordable rentals in the downtown area. He would like it to be affordable for the people who work downtown and want to live in the downtown area. He said the Committee needs to start thinking about the people who live around the downtown area and start taking care of them, and he believes discouraging short term rentals is the best way to go.

The Public Hearing was Closed

Chair Heldmeyer said short term rentals were illegal in Chapter 14, which is common all across the country. When she was elected, she started getting complaints about short term rentals, most of which were run by a management company. She was told by the then City Attorney, that an important piece of the Code was left out in the rewrite by Clarion, which was later restored along with a number of changes which needed to be done. She went to then City Manager Jim Romero to get it enforced, and he wrote a letter, and a draft was sent to the people in the industry, who said the City can't enforce this. Eventually, with the support of some elected officials, the City stopped enforcing it. She said Ms. Aqualina has talked about her neighborhood as being grievously impacted by short term rentals. She said Ms. Aqualina was told by staff that the neighborhood had to monitor the short term rentals for one year, which they did. The neighborhood then produced a list of short term rentals on her street, and staff wouldn't do anything. It then became clear that there was an interest in legalizing this.

Chair Heldmeyer said the proposed ordinance legalizes short term rentals in every neighborhood in the City. In past, the City has said no to B&Bs and fractional ownerships in residential neighborhoods, but this law says this particular commercial use can continue. It was suggested to have a task force on this, which was a good idea if staff involved had not had a particular point of view. There were some egregious errors made in terms of process, such as that the recommendations of the task force which weren't provided until the night before they were to be considered. The Chair of the task force told "her" that it was confidential and she couldn't tell anyone in the community. She said when the actual recommendations came down at the task force, there was no discussion, only a vote, and no public input. She commented

that the industry, however, had input. Chair Heldmeyer said she supported the idea of a task force, but the task force didn't look at the many ways short term rentals are done in different cities. It was, "Just what can we do to legalize what's already going on illegally."

Chair Heldmeyer said Councilor Wurzburger has been meeting with people from the industry and one person from the public for a while. She said there were real reservations expressed in every committee to which it went, although it eventually passed. A Subcommittee of Planning Commission members was formed when it went to the Planning Commission, and Councilor Wurzburger, and one member of the public [who was invited to one meeting to which she was also invited, but wasn't invited to the others]. She said if this is a problem and something we are facing as a community, then let's deal with it as an industry, and not just what does the industry want. This ordinance will allow the short term rental industry to go into any residential neighborhood in the City and rent seventeen times a year for a minimum of seven days, which is a huge amount in the life of the neighborhoods.

Councilor Wurzburger said there are several untruths in what the Chair has said, which she will clarify for the public record. She said for the record, she attended two of the meetings of the Planning Commission Subcommittee after they had developed their recommendations, so she could see what they were proposing and react to it. She noted Chair Heldmeyer attended one of these meetings.

Councilor Wurzburger said she has never been contacted on this issue by a lobbyist, and she is not aware that the small businesses were represented by lobbyists.

Chair Heldmeyer said she received many emails and there are lobbyists lined up, but may not be formal lobbyists in the sense of being registered.

Councilor Wurzburger said her comments will highlight the rationale and research which led to what she is asking the Committee and the Council to support. She thanked those who have worked so hard on the compromise. She said it is untrue that there was only one person from the community involved. She expressed appreciation to Jeanne Price for her work on this ordinance, which was substantially changed, especially in the Planning Commission and Business & Quality of Life Committees, primarily around areas of neighborhood input. There were many, many changes. She thanked Marilyn Bane and Janet Reed Wiselo for their input in this process, the members of the Planning Commission Subcommittee, particularly Signe Lindel and Bonifacio Armijo and Michael Trujillo, and the members of the Business & Quality of Life Committee.

Councilor Wurzburger stressed that her primary policy intentions underlying this legislation are three. The first is to remove the cloud, confusion and lack of enforcement which surrounds short term rentals in the community, many of which have been in operation for 20-30 years. Secondly, to understand the scope of the problem, she said it is very clear that this isn't simply an issue of recent, out-of-town greedy owners versus neighborhoods. She said we have learned through public testimony that many Santa Feans for years have relied on their income from short term rentals, and plan to, and need to, continue to do so. These are teachers, the elderly, artists, single moms, etc., and they came to previous meetings, and will be at council to talk about this.

Councilor Wurzburger said they have also learned that some neighbors feel very, very

strongly about having absolutely no short term rentals, despite the specific history in Santa Fe. Others don't care, if regulated. She said the reason she first brought this issue forward was because many people, such as Ms. Aquilina, were asking for enforcement. She said other people came before us and said they want no restrictions, while others agree with the 17 rentals and 7 day rentals. She said currently, those with management companies, have rentals at an average of 25-30 times a year. The average time the homes are rented is between 3-7 days, but tends to be closer to 3-4 days. She received hundreds of emails saying there should be no restrictions, many believe three days is preferable, others believe three days is too short, while still others think only a business license of only \$35 should be imposed. She said it is important to have the necessary level of resources to adequately monitor the use in the neighborhoods.

Councilor Wurzbarger said, although this has been presented as the gross commercialization of the City, the ultimate effect is that there should be fewer short term rentals which certainly will be monitored. She said it is a commercial use, but it is a limited use, and a conditional use, and when those conditions are not met, the permit is revoked.

Councilor Wurzbarger said she truly believes this ordinance change is a compromise which allows "sufficient rentals," with which most management companies can live, commenting that none of them are very excited about this bill, but it is better than not continuing these businesses which have been operational for 20-30 years. She said at 17 times a year, most will be rented for only 3-4 days for a total of 51 days, if you rely on current practice and patterns, which should result in less impact on neighborhoods than the current practice, under current law.

Councilor Wurzbarger said the City Attorney is presenting a new interpretation of what the 30-day minimum means. She asked why, in the public hearings of the past three months, we have had 40-50-60 people to appear and speak passionately on both sides of the issue, while in 2002 when the language was cleaned up nobody appeared.

Councilor Wurzbarger said she believes the proposed changes provide much needed safeguards to neighborhoods, and she worked very hard to be sure of these safeguards in three areas: (1) providing a mechanism for a single neighbor to protest the application; (2) having two full-time staff persons available to track this so we know how many businesses there are, where located, and the contact person for a complaint; and (3) a clear process for terminating the privilege for having a conditional use in a neighborhood, which provides if you violate the number of times or the length of rentals, the City has the ability to terminate the permit.

Councilor Wurzbarger said the Ordinance will regulate an activity which has not been previously regulated or enforced, by providing financial resources to do so. With the addition of the notice requirements by realtors, she truly believes the neighborhood interest can be balanced without destroying either the neighborhoods or the small businesses involved in this industry. She said her effort hasn't been to promote the businesses. It has been very difficult for her to balance the interests of all the parties.

Councilor Wurzbarger looks forward to the reporting requirements giving us a more clear picture of what this activity contributes financially to the City's General Fund. She noted in one of the earlier hearings, Teresita Garcia said there was no way to track this now. She

respectfully disagrees with "those of you who think that there is a cadre of people who do come and want to live in a home, or to stay in a home if they have children, or whatever, or they come with their friends and spend money in a different way than someone who stays in a hotel." She said once there is a process in place, the City can track this business and get everyone registered which will make a difference in the income. The downside of eliminating this opportunity for tourists and local homeowners should not be underestimated. She doesn't think we can just get rid of it and hope it all works out.

Councilor Wurzbarger noted there is a one-year review process in the ordinance, and asked the Committee to adopt this ordinance to give us the chance to do the kinds of monitoring and enforcement to protect the neighborhoods. She is happy to announce that Mayor Coss is a cosponsor of the legislation.

Councilor Ortiz said one of the arguments for not going forward with the hard work on short term rentals, is the excessive cost to regulate the industry. He asked the City Attorney the cost to enforce the ordinance as it currently exists.

Mr. Katz said he would assume it would be difficult to enforce. It would be necessary to devote the labors of a number of staff persons – Code enforcement and Legal – to monitor the websites and the numbers of rentals to ensure they are complying, but he doesn't have a cost figure. He believes we couldn't do an entirely thorough job without additional help.

Councilor Ortiz asked Mr. Katz if he has looked at the FIRs for both ordinances.

Mr. Katz said he has seen them, but can't promise that he is current on those.

Councilor Ortiz sees this as a fulcrum – balancing the rights of property owners to enjoy their residential neighborhoods with the right of property owners to do what they want with their own property. In deciding this, we can decide whether we even want to take a stab at this. He said Councilors Wurzbarger and Heldmeyer have entered into the fray because it has been recognized as a problem. If we don't do anything, and kill both proposals, it seems the questions we have to face are: (1) the costs of enforcing the current law; and (2) where we will get the resources to do so, or if those will be absorbed internally.

Councilor Ortiz said we are looking at two different sources of revenue to be collected and allocated according to the steps to be taken under either proposal. We need staff to monitor these short term rentals, and then regulate them, or in the case Mr. Katz mentioned in the newspaper, to enforce them.

Mr. Katz said this is correct, and asked to clarify a matter. He said at the Planning Commission he was asked about enforcement, and he explained his embarrassment at not enforcing the current law, and said there would be an effort to reach a resolution short of enforcing the current law. He said he opted not to be provocative and start enforcing a law which hadn't been enforced in 20 years, and hopefully it would play out through the task force. He was asked by the Reporter what is means by "enforcing the law." He explained that the current law allows a 30-day rental, and there could be a 30-day rental every month. He pointed out that there is noting requiring those who rent it for 30 days to stay for 30 days, but it can't be rented to others during that 30 days.

Councilor Ortiz said then the comments attributed to you, Mr. Katz, today in the Journal, were comments that you made during the public hearing at the Planning Commission.

Mr. Katz said no, they were not. Subsequently, the Reporter asked him what he meant about enforcing the law and what that would entail, and he explained to the Reporter what that means as he understands it now. If nothing happens to change the law, we would then have to enforce the law. He said it is never a good situation where there is a law on the book which hasn't been enforced, and sensitivity is required to start enforcing the law. It is important to let people know this is going to start happening. He said people have made arrangements for the next two months who will be coming to Santa Fe, and he would not like them to be suddenly advised they can't rent. He wants to do this in a way which is most sensitive to everyone's interests.

Councilor Ortiz would like to see a comparison of costs as this moves forward, and no later than when it goes to Council – what it would cost now to do the enforcement versus the costs in the FIRs. He said this Committee needs to know if the City Attorney will include the costs of his office relating to short term rentals will be included in the FIR.

Councilor Ortiz said one of the industries which he thought would have a concrete position on this issue, and would be very active, but has been silent, is the hospitality industry, with two exceptions. He doesn't know why. He said the comments he has received from some of the proponents of short term rentals, which aren't stock answers from the real estate industry, have been, "Please kill this proposal. This proposal is onerous and will kill short term rentals." This is astounding to him. He has asked those responding on the stock answer, to give him their best proposal, and the only plan he has seen which differs from Councilor Wurzbarger's proposal, is to allow everything in every place which seems unlikely to happen.

Councilor Ortiz said "this" ordinance has a better regulatory approach. He said people can say that short term rentals are a more disharmonious use than home occupations, but it is by degree. He has never been persuaded by the argument that short term rentals, as a class, are problem properties, and create the kinds of nuisance problems which we have in all parts of the City. He said we can have an absentee landlord with a long term renter of many years who is causing problems in the neighborhood like the problems which have been mentioned and attributed only to short term rentals. He believes this is a problem of enforcement and not of the use of the property.

Councilor Ortiz said there seems to be an equal value in people being able to do what they want on their property and being respectful of that use in relation to their neighbors. And the neighbors have that same right to enjoy the quiet and comfort of their neighborhoods.

Councilor Ortiz said "this" ordinance has a better chance to develop a regulatory structure which hits at the cost to regulate. It isn't a perfect system, but he can't judge it in any other light because he doesn't know the cost to enforce it today. In his experience in living on his side of town, this is an east side and a north side problem. There are very few rentals on his side of town. This is a BCD/Historic District problem.

Councilor Ortiz would like to see some movement toward reducing the proposed fee, and tightening the language on the stays and the number of uses. He believes the proposed ordinance comes closer to the intention than the other, and he sees a need for a regulatory

structure. If the neighbors can't balance it, then it falls on the government to act in this stead. He said his in-laws have been living next door to a makeshift bed & breakfast/short term rental property for years, and it can be unnerving and distracting. However, the neighbors have allowed it because they know the owner and the owner asked for permission, and they are able to live with it.

Councilor Ortiz said he is looking for a hybrid between the two proposed ordinances. If not, then he had to look very seriously at supporting "this" particular structure, but he is not clearly convinced that the details of the structure are the solution, and additional work could be done on that, but he doesn't know who would be the author of that. He said he is in the middle on this particular issue.

Councilor Calvert thanked everybody who worked so hard on this issue, commenting that this is a "tough nut" and it is not going to get easier as we go forward.

Councilor Calvert said, with regard to Councilor Wurzbarger's proposed ordinance, on page 2, it discusses residential resorts, and later talks about gating and such, and asked if this includes timeshares and such which aren't gated, and if this is an absolute criterion.

Ms. Price said some of those are not short term rentals. Short term rentals specifically are in residential districts, but if they are in a commercial district, then this doesn't apply. However, it does provide they must be gated. For example, it would apply to Quail Run, but not to Ft. Marcy, and she is unsure whether it applies to the Summit.

Councilor Calvert said there was discussion in Section 3 about the number of parking spaces per bedroom.

Ms. Price said we need language which provides that if it is more than one bedroom, two spaces are required, and we need to address parking for more than three bedrooms. She said the dwelling unit itself requires two parking stalls.

Councilor Calvert said there is discussion of the number of occupants and total adults based on the number of bedrooms. He asked who defines what room is a bedroom, saying other rooms could be converted into bedrooms.

Ms. Price said she anticipated that this is a question would have to be addressed at the time of application, and what we would be enforcing.

Councilor Calvert said on page 4, the ordinance provides, "Property owners of short term rentals in existence prior to the adoption of this ordinance may continue to operate, provided that the owner applies for a permit within 60 days of the adoption of this ordinance." He asked how we determine what was in operation prior to the adoption of this ordinance, since everyone might not be registered.

Ms. Price said the ordinance can provide for documentation.

Councilor Calvert asked if those who haven't been "playing by the game," get this consideration because we have no way to substantiate it.

Councilor Wurzbarger said they can pay taxes and fees and submit the documentation, but she doesn't believe we will be in the business of prosecuting those people. However, it would be an income opportunity. It would be biased toward those who have records of taxes paid and such.

Councilor Calvert said the existing businesses have 60 days to apply, and asked how long the process of confirmation will take, noting that probably will be longer than 60 days.

Ms. Price said the 60 days was established to start the program, to educate the public, and then assign a rational process of issuing permits, so if neighbors protest and there is a hearing they could be grouped according to those which have applied for a permit.

Councilor Calvert asked how long will it take to do this, saying he believes this could take quite a while to do. His problem is that the effective date is January 1st, and if adopted, there will be a grace period, and then 60 days from the effective date, which seems like quite a lag.

Councilor Wurzbarger said she met with Jack Hiatt, and the budget is based on the assumption that we would process 250 applications at \$1,000 to produce \$250,000 the first year.

Councilor Calvert observed that if we have the numbers we think, then everyone won't be able to get their "foot in the door" as soon they would like.

Councilor Wurzbarger said the City will process them as fast as possible, and until done, they are operating on the basis of coming in to request a permit within 60 days.

Responding to Councilor Calvert, Mr. Katz said as he understands the structure, those currently doing short term rentals would have 60 days to apply, and those people would be legal at that point and could continue and would be legal. If they don't come in within the 60 days, then it's not legal, and they will be with everyone else and will be at the end of the queue and won't be legal until they are processed. He said there would be an effort to process these people first, only the grandfathered ones.

Councilor Ortiz said, for comparison, when the Council adopted the Water Rights Transfer Ordinance with an effective date certain, from that date there was a period to prove that they were exempt or not subject to the Ordinance.

Councilor Calvert said the language on page 4 provides, "Appeals of decisions of the hearing officer shall be heard by the governing body." He is concerned about the time this would take.

Friendly amendment: Councilor Calvert proposed to amend the ordinance on page 5 to provide a specific category to be considered by the hearing officer, "the density of short term rentals in the neighborhood." **The amendment was friendly to Councilor Wurzbarger.**

Councilor Calvert asked, with regard to Section 8 on page 5, what happens if we can't contact that person, and if that is a violation,

Councilor Wurzburger said the intention is that the City staff is to be available as well as the owner.

Councilor Calvert asked if City staff will be available 24/7, and if so, is that included in the FIR.

Councilor Wurzburger said it wasn't considered.

Councilor Calvert asked if a City official has to verify that nobody was available.

Councilor Wurzburger said this information would be given to the hearing officer.

Councilor Calvert spoke about the fees which are listed on page 6, and thinks \$500 may be too much for an on-site, owner-occupied rental, and doesn't see why they should have to pay so much.

Councilor Wurzburger said this was the subject of a lot of debate, and it was decided, at least for the first year, to charge this fee so that we would have the resources for a monitoring system. She said she would be happy a year from now to change all of the fees if they aren't needed, reiterating that this was a compromise.

Councilor Calvert said the Violations section is vague, saying, "Upon the determination that a first or second violation is valid."

Ms. Price said the intent is that they could be fined up to \$500 for the first or second violation, and then on the third, the permit would be revoked.

Councilor Calvert asked if failure to register would result in a larger penalty, because they are trying to get around the law and operate without paying the fee.

Ms. Price said this has been a concern, and there is always the avenue of going through the Municipal Judge who can fine up to \$500 for each violation or up to 90 days in jail for each violation. Responding to Councilor Calvert, Ms. Price said the City prosecutor would take it to Court.

Councilor Ortiz asked if unregistered units could be defined under the nuisance ordinance instead of the regular enforcement ordinance.

Mr. Katz said we can, but he is unsure what would be gained.

Councilor Ortiz asked if the Nuisance Ordinance allows the City to proceed in District Court on civil forfeiture items to compel people to register.

Mr. Katz believes putting someone in jail for 30 days would be very effective.

Councilor Ortiz said, although the City has never put anyone in jail under the Nuisance Ordinance, we have begun forfeiture proceedings for nuisances in neighborhoods.

Councilor Calvert wants to see a stiffer penalty for not registering.

Councilor Calvert said the Violations section also provides that, "Violations committed by occupants of the short term rentals should not be counted toward revocation of the permit." He asked if this means it's not an official violation.

Ms. Price said it would not count as the third violation.

Councilor Wurzbarger said perhaps we need to clarify that language which was added in the committee to make the distinction between noise and other kinds of things which renters would do, which would be handled through other laws. The kinds of violations we are talking about are violations by the owner of the core aspects of this law – you didn't register, or you rented 23 instead of 17 days or you lied and turned it over three times in a 7-day period. These are the enforcement issues we are trying to get to, and the reason the language change was made with respect to the occupants.

Councilor Calvert thinks we need to look at the rights of the neighborhood in a residential zone versus those of other property owners who are engaging in an activity which technically is illegal. He doesn't see these as equal rights under the law, but as competing rights. He said there is also the notion that your rights end when you start impinging on somebody else's rights, and this is some of what was done as well.

Councilor Calvert said he is concerned about affordability in relation to this ordinance, in general. He received emails from people saying they really couldn't afford their second home in Santa Fe if they couldn't rent it to help make the payments. However, he is more concerned about the people who live in Santa Fe who can't afford their first home. He said this isn't helping our efforts to provide affordable housing, and works in the opposite direction and, although we can debate to what degree, he believes there is little doubt it has some effect in inflating the prices of real estate.

Councilor Calvert said when we talk about the downtown vision plan, we are trying to get more locals into housing downtown, and doesn't believe this helps that at all, and sees these as diametrically opposed in this respect. He doesn't know the solution, but this doesn't help.

Councilor Calvert said he has had comments from people in the industry that there is only one documented complaint, but his question is who is keeping track of complaints if we were enforcing this. He doesn't believe the Police, if called, are keeping statistics on the complaints about, or related to, short term rentals.

Councilor Calvert said Councilor Wurzbarger talked about the fact that people aren't paying taxes on the income they receive from the rentals, and this is an issue which needs to be discussed.

Councilor Calvert said he has no problem with the owner occupied short term rentals, unless they violate existing laws, and he would argue for a lesser fee for these. He agrees with Councilor Ortiz that it would be most helpful to have somebody to estimate the cost of enforcing the current ordinance, so we can compare "apples to apples" in terms of the bang for the buck. He observed that there are clarifications which need to be made in the ordinance, reiterating that he still has questions of how this will work administratively.

Councilor Wurzbarger said, with regard to affordability, there is no doubt that short term

rentals, to some degree, do contribute to the lack of affordable housing in Santa Fe. The question is to what degree. She said when she and Ms. Bane walked door to door on her street, and they found no short term rental people. The huge problem related to affordability is related to people who buy second, third and fourth homes and don't lease them. She does believe it will have an effect on the number of people who go into this market once realtors are given the legal responsibility to notify potential buyers about our law.

Councilor Dominguez thanked everyone who participated in this process and in the dialogue, commenting that he does not think this has been a closed process. He has the same concerns as Councilor Ortiz, primarily with enforcement, because he understands it will take more resources to enforce the current law which doesn't allow for the enforcement of other ordinances in other parts of the community. He said the majority of the emails and calls he received have not been from people from District 3, although there may have been a few. He would rather have something on the books before it becomes an issue in District 3, so there is a law to follow.

Councilor Dominguez likes the one year review in Councilor Wurzbarger's ordinance, because it will provide concrete data to make amendments where needed. He has received a "ton of calls and emails" from constituents who want short term rentals, commenting, however, that he doesn't want to be operating on rumor and suggestion, and wants concrete data. This will give us an opportunity to look at the complaints and be able to strategize about how we can address some of those complaints.

Councilor Dominguez asked, with regard to grandfathering, if these businesses will continue to be subject to the existing laws.

Ms. Price said yes, and properties still have to register and are subject to what is on the books, and can continue as is until there is a decision on their permit.

Councilor Dominguez asked the rationale for 17 times, noting it is a decrease from current law.

Councilor Wurzbarger reiterated that this is a compromise on the existing practice when most of the tourists are here, based on the figures from the self-reporting of those in the industry.

Councilor Dominguez said there really has been an effort to arrive at a compromise, noting someone said at one of the hearings that nobody is happy.

Councilor Dominguez said, with regard to affordability, there are people who are looking at short term rentals to be able to stay here in the community, and he would like to know how many of these there are.

Chair Heldmeyer thanked the members of the Committee for giving this thoughtful consideration, as it has in all the other committees. She is a big fan of conditional use, and believes there should be more of it in our Code. There was talk about this being conditional use like home occupation. The Task Force on home occupation was a large, messy, democratic task force which really tried to include equal representation from all groups, and developed a way for people to work in their neighborhoods as long it didn't change the "neighborhoodness"

of it. For the most part, it has worked. She said as Councilor Calvert said, it is really unclear, in going to the hearing officer, who will be turned down, who will be allowed, noting that not everyone in the neighborhood has standing to speak at this hearing as currently written. This needs to change. It isn't clear in a way which isn't true for home occupation. She said that ordinance could be a model for a hybrid design.

Chair Heldmeyer said some of the complaints about this were heard this evening and at other public hearings, noting some of these complaints are important and valid. We have been told by the industry how nice the people are, how they are screened and such. If they're so nice, they shouldn't be violating the ordinance, and there are things in this ordinance relating to noise, the number of adults, and if they break the law it is up to the manager and property owner to do something. She said some management companies over-book, and encourage this kind of thing which you can see if you go on the website.

Chair Heldmeyer said another issue is whether someone who has bought in a residentially zoned neighborhood can have an expectation that it will be a neighborhood, and how far this can be stretched before it is no longer a neighborhood.

Chair Heldmeyer said she believes affordability is an issue in terms of artificially raising the prices and decreasing the housing stock. If you do these two things, prices increase and not just for short term rentals. She said some realtors are telling owners if they list their house as a commercial business they can make a lot more money on it.

Chair Heldmeyer said this is a question of what we want the neighborhoods to look like, which fits into the question of why now – why is this more an issue now than it was 10-20 years ago when these started. She said because back then, it was the case that some of these were the people's best house and they wanted to leave town for Indian Market week, for example. However, those people are shut out by this current law, because they would have to pay the \$1,000 and apply for a permit.

Councilor Wurzbarger said her ordinance is designed to reflect the reality of what has been going on in this City, noting 25-30 times per month is average for the management groups, although we don't know what is happening with the people in the neighborhoods.

Chair Heldmeyer said these aren't homes which are being rented on the side, these are commercial businesses. She said Councilor Dominguez is correct that you can't take anecdotal data and say it is a statistical sampling. She said 95% of the emails she has been receiving are from non-resident owners who want to rent short term. For each of those, she has looked at the zoning laws of their home city, every one of which bans short term rentals in residential neighborhoods. She said for those who have said it is unconstitutional for the City to tell you what to do with your property – this is what zoning is, telling you what to do with your property. It has been upheld many times by many courts because they understand people want a certain level of certainty.

Chair Heldmeyer said it was suggested that we look at areas of the City where short term rentals should be banned. She understands this ordinance is a compromise, but it is so vaguely written that she wouldn't want to be the hearing officer because she wouldn't know what she should be making her decision on. She said there are big holes which need to be fixed, and she has heard comments from other Councilors that they would like to work on that.

Chair Heldmeyer said the reality is that we want neighborhoods to be places where people live.

MOTION: Councilor Ortiz moved, seconded by Councilor Dominguez, to approve Ordinance 27(A), with the amendments which came forward from the Planning Commission, and with the amendments and questions which have been put forward, in addition to the questions which he put out to the City Attorney.

REQUESTS TO BE INCLUDED IN HIS MOTION AS THIS MOVES FORWARD: Councilor Ortiz said there is a dichotomy on two different levels which impacts on cost, and he would like the City Attorney to pay attention to the different tiers of rentals which are occurring in the community. He said there are a high number of high dollar rentals, and the floor would be rentals 17 times a year for those. Then there are the 2-5 times a year rentals – those who want to get out of town for Indian Market, or the “swap” rentals. He said there is also the issue of what to do with existing rental homes, and whether we will recognize only those. If so, there are two different tiers in terms of what happens to those pre-existing units, versus the new kinds of unit. He is hearing from the people who have had to live with short term rentals for some time, and the process for those houses should be different from the houses which are brand new. He would like any such language to come first to this Committee before going to any of the media outlets.

He would like the City Attorney and staff to come up with proposed language to develop tight criteria for a hearing officer for hearing these cases. He said this would be the kind of criteria we use in looking at home occupations. He said he said it is unfair to say that Councilor Wurzbarger and those participating on the task force didn't look at other communities or other templates to develop this process. He has every certainty that Councilor Heldmeyer looked at other communities. He said it would be helpful to have, as background information, some comparisons of other communities so we can judge what is being proposed to compare with what has been proposed, what has been passed, and what has survived legal challenge on the other side.

The foregoing are Councilor Ortiz's requests in his motion to move this forward and to take off the table the proposal by Councilor Heldmeyer, so we are looking at this proposal in this form with some modifications, or we're looking at the enforcement of the bill as proposed.

DISCUSSION: Councilor Wurzbarger said the report on what is happening in other cities was made available to the Planning Commission and she can provide this to the Committee.

VOTE: The motion was approved on a voice vote, with Councilors Dominguez, Ortiz and Wurzbarger voting in favor of the motion and Councilor Calvert voting against.

EXPLAINING HIS VOTE: Councilor Calvert said he is voting against this with no disrespect to the author or others, and he doesn't see the rush to move forward when there are a lot of things the Committee might want to consider, and he would be willing to bring this back and try to address those.

28. REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – TREE RING STUDY AND STREAM FLOW AT UPPER WATERSHED AREA, UNIVERSITY OF ARIZONA (Postponed at Finance Committee Meeting of July 30, 2007). (Claudia Borchert)

Claudia Borchert presented information from her Memorandum of July 20, 2007 to the Committee, and Robert Rodarte's Memorandum of July 25, 2007, to the Committee, both of which address the value of this work and how it fits with the other tree ring studies which have been done to date in the watershed.

Councilor Ortiz asked why the City should be doing this tree ring study instead of spending the month on something else.

Ms. Borchert said the watershed is vulnerable to catastrophic fire, and the City has done a fabulous job of treating the lower acreage in the Ponderosa Pine forest, but we still have the whole section in the wilderness area which is Spruce where we don't understand how fire used to behave in there. We need to come up with a management plan for how to allow fire to work in there since we can't use mechanical means, and this tree ring study will help us to do this in part. Secondly, it will also prolong the stream flow record we have of 80-90 years to closer to 500 years, which helps us understand climate variability which helps us to be able to plan better, knowing the breadth of climate variability and not just a small window of 80 years.

Councilor Wurzbarger asked what is the benefit to the City in doing this.

Ms. Borchert said with regard to the fire history, the Forest Service will be armed with this information to understand where a fire would go and where to make fire breaks – the definition of how fire should be allowed to burn in the wilderness area.

Councilor Wurzbarger said there is a major variable in that we now do things differently in terms of fighting fires and we have different resources. She asked how valuable the historical data for making the on site decision to do "xyz." She asked what difference it would make in doing this.

Ms. Borchert said she isn't a forester and there will be a limit as to how detailed she can get, but she will try to answer the question. She understands currently there has been fire suppression, and over the last 10 years, the Forest Service has recognized fire is a tool which the forest needs, and fires have been allowed to burn in the area as part of a healthy forest system. It is not so standard to allow fires to burn in wildernesses and at higher elevations, especially where it can have high impact on the water supply and such. The City's watershed is a unique situation because it has a wilderness part, and yet it's managed for the water supply. The Forest Service was caught between wanting one policy of "just let it burn" as long it doesn't affect anybody, and on the other hand wanting not to jeopardize our water supply source. By doing the Tree Ring Study, we are arming them with information so they can know, historically, that fires used to burn in a certain way, therefore they are willing to let the fire burn in this way now, where previously they were trying to do the balancing act.

Councilor Calvert asked Ms. Borchert to explain Item #4 of her Memorandum of July 20th. "The project has many in-kind contributions.

Ms. Borchert said the Forest Service, which supports doing this, has contributed 8-10 man hour days, and the City has contributed 4 man hour days to. She said the researchers come from Arizona, and it is more costly to bring them, and they are using local staff to assist in collecting the data to reduce the overall costs. She said the UNM Professors are contributing their time. Also, Ellis Margolis is already working on a fire tree ring study from Dr. Craig Allen of the U.S. Geological Survey, noting he spoke to the Public Utilities Committee about a year ago about that project. She said the total cost of this project will be less because he is already contributing money from a research grant to collect some of the tree ring study data for a climate change research project.

Councilor Ortiz asked if this is a study which would be used to support the practice of minimal fire suppression and minimal wildlife interface, or would it be used to promote aggressive fires suppression and aggressive control within the wild parts of the watershed.

Ms. Borchert said she doesn't know whether she could say whether it would be minimum or maximum. All she knows is that we are trying to understand the history of the way fires used to burn in this area. She said it wouldn't be fire suppression, nor could she say it would be pro fire burning.

Councilor Ortiz pointed out that 50 years ago, people were going into the area to get fire wood. Some say this isn't good and we need to keep as much natural vegetation as possible, while others say that we're actually causing a fire danger in the watershed by allowing that vegetation. He asked if the study is geared toward resolving that philosophical disagreement on the watershed, or to round out this person's dissertation while getting paid, or what. He reiterated that this is \$100,000, which could be used in other ways.

Ms. Borchert agreed this is a lot of money for the study. However, she said many philosophical arguments which were heard around the watershed really have calmed down for several reasons. People now recognize how valuable the work in the lower part of the watershed has been, and how good the results have been. She isn't sure the Forest Service and Forest Guardians are on opposite ends of the spectrum. She said with education, people are understanding what forests need, and are coming closer together in recognizing that fire has a role in forest management. She said the question is how we know what that role is, and this study helps us to understand how fires behaved historically, and the role of fire in a healthy forest.

Councilor Calvert asked Ms. Borchert if there would be any value in bringing forth experts to give additional testimony to help the Committee to understand the justification for this level of expenditure. He asked if some of the people who would be doing this project would have a better explanation.

Ms. Borchert said she would be glad to bring experts from the Forest Service, and to obtain any document which would assist the Committee to feel more comfortable with the importance of doing this. She noted there are two parts to the study, the fire history part and then a stream flow reconstruction.

Councilor Calvert asked if the study would help us better understand the availability of water in the river.

Ms. Borchert said it helps with the availability, not with the actual wet water in the river, but in planning for a future of the water.

Councilor Calvert said, especially on the fire side, he would rather spend the money for the study than not to spend the money and to be sorry we didn't. This is one of our most valuable resources in the community.

MOTION: Councilor Calvert moved, seconded by Councilor Wurzbarger, to postpone this item to the next meeting, and ask Ms. Borchert to bring more testimony before the Committee to help us get a better appreciation for the need of this study.

CLARIFICATION OF THE MOTION: Councilor Wurzbarger said she also wants to understand the use of the information.

VOTE: The motion was approved unanimously on a voice vote.

32. REQUEST APPROVAL OF A RESOLUTION ADOPTING AN INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP). (ROBERT ROMERO)

A Memorandum dated August 13, 2007, to the Finance Committee from Robert Romero, Public Works Director, is incorporated herewith to these minutes as Exhibit "1."

Chair Heldmeyer noted this has to be submitted to the State by the end of this month.

Mr. Romero said this is correct, and it will go to Public Works for the last time next Monday, and then to the Council the following Monday.

Responding to Councilor Wurzbarger, Mr. Romero asked Councilor Wurzbarger to get her list to him and he will share it with Public Works on Monday.

Chair Heldmeyer asked Mr. Romero what mechanism he will be using to narrow the list from which the Council will choose the top five priorities.

Mr. Romero said he is hoping one of the Committees would move for a top five, but if that doesn't happen, then this debate will happen at Council.

Councilor Dominguez asked what are the common priorities, commenting that he really doesn't want to get into a debate about this.

Mr. Romero referred to Exhibit "1," which identifies the priorities expressed by some of the Councilors.

Chair Heldmeyer said one of the reasons Warehouse 21 gave in requesting the \$1 million was because the City had listed it as a Legislative priority, and because of this, the Legislators didn't want to give it money because they assumed it would come from the City. She said we need to think about this in adding the nonprofits to the list as a priority.

Mr. Romero said in the past, the list was used by the Johnson Administration, commenting he believes this will need to be redone prior to meeting with the local Legislative delegation, so we can communicate our priorities.

Chair Heldmeyer commented that she doesn't hear support from this Committee for prioritizing the list at this time. However, when this comes to Council, she wants to see a list of five with which she will either agree or disagree.

Councilor Calvert said it appears that the "whittling down" to five on which we will agree will happen at Council.

MOTION: Councilor Calvert moved, seconded by Councilor Ortiz, to move this forward to the Public Works Committee without recommendation.

VOTE: The motion, as amended, was approved unanimously on a voice vote.

Councilor Dominguez left the meeting at this time

29. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO RESEARCH VARIOUS OPTIONS FOR THE CITY OF SANTA FE TO PROVIDE FUNDING MECHANISMS TO PROMOTE HEALTHY LIFESTYLES FOR CHILDREN AND ADOLESCENTS (COUNCILORS ORTIZ, WURZBURGER, COUNCILOR DOMINGUEZ AND TRUJILLO). (LYNN HATHAWAY)

Councilor Ortiz understands the Children & Youth Commission gave this a thorough "airing out," and it was to go to the Human Services Commission, but didn't because there was the lack of an agenda. He noted the proposed fiscal impact isn't attached to this. He said he agreed with the amendments from the Children & Youth Commission, with the exception of the electronic media. He said this is problematic on two different levels.

MOTION: Councilor Ortiz moved, seconded by Councilor Wurzbarger, to approve this request with all amendments, with the exception of the term "an electronic media," and asked that staff and representatives of the industry work to establish proposed alternatives and suggestions, either from the industry or the industry working in concert with the School District or in concert with some of the efforts done in highlighting the City's monetary support to some of these programs which could be impacted by this change.

DISCUSSION: Councilor Ortiz said it is his understanding from the City Attorney, if the Resolution is successful, there would need to be a ballot initiative for the voters to approve, and this is not an assessment we can impose as a Council. The timeline for doing this is not later than the first week in October.

Chair Heldmeyer said there were some problems with the agenda, and the reason that the discussion of the revenue enhancing ballot initiatives wasn't on the agenda.

She asked any Councilors who want to put something about revenue enhancement on the March 2008 ballot to let Ms. Raveling know as soon as possible, so it can be included on the

next agenda. She will communicate this to the Councilors who don't serve on this Committee or who aren't in attendance this evening.

Councilor Calvert understands this is narrowly focused on soft drinks in cans, and asked if #3 is intended to broaden that category.

Councilor Ortiz said yes.

Councilor Calvert asked if it is subjective or is it very objective.

Councilor Ortiz said he can give him a list, but his list isn't representative, and we would want to solicit comments or commentary from the industry in attendance, from health professionals, from Pediatricians and such. The point of the Resolution is not to develop a definitive list nor a definitive idea, but to study the proposal and to get a wide variety of input from a wide variety of groups including from the industry.

Councilor Wurzbarger said this is the reason she will vote in favor of this, because she believes this is an issue of importance which will provide a mechanism for the City to decide how it can help with the issue in a collaborative effort with all of the stakeholders.

Councilor Calvert hopes this includes demographics and such so we can put this in that context – the environment we are in.

Councilor Ortiz complimented Children & Youth staff for providing a list which provides a clear delineation of the current services being provided and where this can be done. He spoke with two School Board members, both of whom expressed an interest in this proposal as well as the list of services currently being provided by the City.

Friendly Amendment: Councilor Ortiz asked to amend the motion to direct staff to provide a "strike-through and underlined" version of the Resolution which incorporates comments, and then send that to the School District with the Memorandum from the Children & Youth Commission for its consideration in adopting it as a joint resolution. **The amendment was friendly to the second.**

VOTE: The motion, as amended, was approved on a voice vote [absent: Councilor Dominguez].

MOTION: Councilor Ortiz moved, seconded by Councilor Calvert, to amend the agenda to hear Item #22 next on the agenda.

VOTE: The motion was approved on a voice vote [absent: Councilor Dominguez].

22. REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING THE DOWNTOWN VISION PLAN WITH THE RECOMMENDATIONS OF THE DOWNTOWN VISION PLAN STEERING COMMITTEE (COUNCILORS DOMINGUEZ AND WURZBURGER). (KATHERINE MORTIMER)

MOTION: Councilor Wurzbarger moved, seconded by Councilor Calvert to approve this Resolution with the amendments.

DISCUSSION: Chair Heldmeyer said she doesn't like the amendment because it says "review and implement," and said we should decide first if we want to adopt this. She said a lot of people came to Public Works to speak to this, but weren't permitted because all the young people were talking about the parks and they ran out of time. She said one reason things sit on the shelf is we pass them, and then we really don't like what's in them and we don't do anything. She said this Resolution says to review the plan and then go for options for implementation. She believes until the Council as a whole says this is our policy, we have no business going to implementation.

Councilor Ortiz said the amendment provides that we are adopting this Plan, but are withholding implementation until a committee is formed to explore the possible options on implementation.

Responding to the Chair, Councilor Ortiz said then you would be okay with the Downtown Vision Plan if it didn't say "implementation."

Chair Heldmeyer said no.

Councilor Calvert said the amendment says, "...to explore possible options for implementation and to set priorities."

Councilor Ortiz said it is "watered down" more by changing "is adopted," and saying "shall be reviewed by staff."

[Too many people talking at the same time here to transcribe remarks]

Councilor Ortiz said this is as "watered down" as it can be.

Chair Heldmeyer said it is not, because #2 is still in the Resolution.

Councilor Wurzbarger called for the question, saying this provides a mechanism for using the Plan as a tool to move forward to look at the kinds of issues, activities and actions we can do to make the downtown better.

Chair Heldmeyer said she is all for making the downtown better. However, when you set up implementation teams, the assumption is that they will implement something, and since this Plan is all they have, she assumes they will implement it.

VOTE: The motion was approved on a voice vote, with Councilors Ortiz, Wurzbarger and Calvert voting in favor of the motion, Chair Heldmeyer voting against and Councilor Dominguez absent for this action.

Councilor Wurzbarger left the meeting at this time

30. REQUEST FOR APPROVAL – ESTABLISHMENT OF POLICY FOR SICK LEAVE INCENTIVES FOR NON-BARGAINING UNIT EMPLOYEES (KRISTINE KUEBLI)

Kristine Kuebli, Human Resources Director, said she and Vicki Gage, Human Resources Supervisor, are in attendance to present information and to answer any questions including historical review.

Ms. Kuebli said she is in attendance to recommend a new policy to establish a Sick Leave Incentive Program for non-bargaining unit employees, noting this is in response to Councilor Ortiz's Resolution which was introduced in November 2006. There was a presentation in Spring 2007, about the financial implications of the Resolution. At this point, she is recommending that a new policy be created. After consulting with the City Attorney, it is clear that we need to be sensitive to any policies which discuss benefits as it relates to bargaining units. These are benefits which haven't been negotiated, potentially creating a prohibitive practice charge, therefore tonight's proposal is for non-bargaining unit members.

Ms. Kuebli presented information regarding this matter to the Committee from her Memorandum of August 8, 2007, which is in the packet.

Chair Heldmeyer asked how many people claim they never take sick leave, when in fact, you can never find them, and they're never at work, and commented employees haven't been as closely supervised on this issue as they should have been in the past.

Ms. Kuebli concurred, saying she has begun some management training and will be continuing that, and this issue has been discussed in great detail.

Chair Heldmeyer said the Memo provides, "Non-bargaining unit employees who are considered eligible for rehire..." She said then we will buy back their sick leave, and then hire them again and they will get more sick leave.

Ms. Kuebli said in this section of the proposed policy, she is trying to focus on people who leave in good standing, and in the Human Resources Department the term "eligible for rehire," is used. She said if someone is terminated the City doesn't want to pay their sick leave at a rate of 3:1, and what she is trying to accomplish with this language.

Chair Heldmeyer said a lot of people "float out and float back in," having been paid a lump sum for leave at termination. She said the idea is to retain people, but on the other hand you want to buy back their sick leave when they terminate. It seems like the different policies dealing with sick leave are working at cross purposes. She understands the buyback program, but wonders why we need to go further than this.

Ms. Kuebli said there is a break point where people stay with the City for the full 20 years to get their retirement. This is talking about the people who fall in between – 5-15 year people who never stay 20 years. The idea was to provide an incentive to use leave appropriately and to speak to providing a benefit which doesn't exist currently for non-bargaining unit employees.

Responding to the Chair, Ms. Kuebli said currently AFSCME follows the language in the Personnel Rules, while Fire and Police have specific provisions in their respective contracts which are different.

Ms. Gage said the Police are allowed to use the 1,040 hours at 2:1, commenting that

could be backward, but there is a cap of 2,100, and Fire allowed to use the first 1,000 at 1:1 and anything after that at 2:1, and can cash out what they don't use for accelerating at 2:1.

Chair Heldmeyer asked why we don't do the same for everyone.

Ms. Kuebli said there are three different contracts with three different provisions, and at this point, she trying to address the Resolution adopted by the Council via a policy. The most important piece is how to recognize people with a long tenure with the City. She said she doesn't want to incentivize people to leave early. She cited a current case in the City where a person has been on the books for more than 1.5 years, but isn't at work, and is being paid because they are taking the sick leave they currently have.

Chair Heldmeyer asked if this person is sick.

Ms. Kuebli said no, but it is being taken in accordance with the accelerated retirement which currently exists in the Personnel Rules. This is an effort to keep these people with the City until they can maximize their retirement, but the fear is that if they retire today, they lose all the sick leave which is a disincentive.

Councilor Calvert said then there are four different options in her Memorandum. He believes some options have merit, and he would like to see them in a chart form including the price tags and how they play out over the years. He said we have had problems in previous years of getting "hit" with big sums in particular years, and we have no way to predict that. He said there are ways to ensure employees get their sick leave, such as converting it to annual leave, without such a large price tag. He said some of the options have merit, but the price tags are pretty high.

Councilor Ortiz said his Resolution was narrow in focus to address a particular issue in a particular way which had a very particular intent. He was upset that it didn't move. However, having seen these options, he realizes there are many ways to do this and many options which would amount to a change in City policy, or a reemphasis of existing City policy of which he was unaware until the discussion before the last Finance Committee meeting. He said he just wants to see something move forward, because there are some employees who come to work who don't take their sick leave and build up these balances. These employees should be rewarded. He understands, from his experience in negotiating union contracts, that the private sector model could be an incentive, but acts as a disincentive because it requires you to "burn" your sick leave because you are only getting 1/3 of the value.

Councilor Ortiz said, although all of the options are expensive, he wants to reward employees who come to work and don't take off. If this is the way to do this, then he favors it over his Resolution.

Councilor Calvert would like to explore the different options in more detail with regard to the ramifications, including the cost, of this change in policy.

Chair Heldmeyer said if the employees purchase long term care insurance or disability insurance, they can choose how long it takes for it to kick in. People make that decision based on their accumulated sick time, and it is a less expensive product. She said there are many complicated issues for employees.

Chair Heldmeyer said she is hearing from the Committee that, although there are examples of a cost analysis, there really isn't a cost analysis on this in terms of the overall costs of these options. She said over the years, City Managers have pushed the sick leave buyback program because they see it as a cost savings.

Councilor Ortiz said we could have a better estimate on an FIR because the numbers are more firm, and we can calculate the cost of an individual employee and the infrastructure, and develop a more precise projection than we can do here. He wants to know the number of employees who potentially are involved and the potential impact of this policy, and asked for that list to accompany the information.

Chair Heldmeyer said she also wants to see, in writing, the policies for each of the unions as well as what is proposed for purposes of comparison.

Chair Heldmeyer asked if staff is clear on the direction from the Committee to staff for more information to be provided at the next meeting.

Ms. Kuebli indicated it is clear.

23. REQUEST FOR APPROVAL OF A RESOLUTION REPEALING RESOLUTION NO. 2004-20, REGARDING THE CITY PLANNING POLICY COMMISSION (COUNCILORS BUSHEE, ORTIZ AND MAYOR COSS). (JEANNE PRICE)

Jeanne Price presented information regarding this matter to the Committee.

MOTION: Councilor Ortiz moved, seconded by Councilor Calvert, to approve this Resolution.

VOTE: The motion was approved on a voice vote [absent: Councilors Dominguez and Wurzbarger]

24. REQUEST FOR APPROVAL TO PUBLISH NOTICE OF PUBLIC HEARING ON SEPTEMBER 26, 2007, AN ORDINANCE ESTABLISHING THE LONG RANGE PLANNING SUBCOMMITTEE OF THE PLANNING COMMISSION (COUNCILOR BUSHEE). (JEANNE PRICE)

MOTION: Councilor Ortiz moved, seconded by Councilor Calvert, to approve this request.

DISCUSSION: Chair Heldmeyer noted she previously served on the Planning Commission. She said currently the Planning Commission meets twice monthly, and members of the Summary Committee meet once a month. There is also the Long Range Planning Subcommittee, and asked if the members of the Planning Commission are okay with this.

Councilor Ortiz understood the Planning Commission approved this.

Ms. Price said this is correct, noting there was only one vote against it.

Chair Heldmeyer said this talks about *ad hoc* subcommittees as well. She is concerned,

particularly about the Long Range Planning Subcommittee in light of the current City Attorney's interpretation that subcommittees of the Planning Commission do not have to have public meetings, nor to notice those Committees.

FRIENDLY AMENDMENT: Chair Heldmeyer proposed a friendly amendment to the Resolution to provide that all *ad hoc* subcommittees of the Planning Commission must have public meetings.

DISCUSSION ON THE FRIENDLY AMENDMENT: Councilor Ortiz said then we are discussing the subcommittee which has been formed as the result of the dissolution of the CPPC, which is the Long Range Subcommittee. Councilor Ortiz said he would be friendly to an amendment that delineates the Long Range Planning but no other.

The maker of the motion agreed to a friendly amendment which delineates that the Subcommittee for Long Range Planning of the Planning Commission must hold public meetings, but declined to include the other subcommittees. The amendment was friendly to the second.

DISCUSSION: Ms. Price noted that the Long Range Planning Subcommittee does have its agenda published in the newspaper.

Councilor Ortiz said then that is a public meeting. However, the problem is, given that at any time there could be an *ad hoc* committee formed by the Planning Commission which results in less than a quorum, we would be placing restrictions which aren't placed on the Council itself. He noted that quorums of City Committees have met on an *ad hoc* basis to formulate policy, and those have not been deemed to be open meeting violations. If we aren't holding ourselves to that standard, then he isn't comfortable in holding the Planning Commission to another standard, noting the Planning Commission is not more important than the City Council. He can understand the rationale for having public meetings for the Long Range Planning Subcommittee, but not for any *ad hoc* meeting which could be formed by the Planning Commission in the future.

Responding to the Chair, Ms. Price said Councilor Bushee has accepted this as part of the motion at the Public Works Committee, noting Councilor Bushee recommended looking at specific membership which was rejected by the CPPC, the Planning Commission and the Public Works Committee.

Responding to Councilor Calvert, Ms. Price said the Long Range Planning Subcommittee also would be doing the Code amendments.

Chair Heldmeyer said the public view is that there are "secret groups" which are meeting behind the scene, commenting that she presumes they can't do it on cases because those are *quasi judicial*. She stated that she believes in transparency and openness in government.

VOTE: The motion was approved on a voice vote [absent: Councilors Dominguez and Wurzbarger].

31. REQUEST FOR APPROVAL OF TRANSFER OF PROPERTY LOCATED AT WEST ALAMEDA AND WEST SAN FRANCISCO STREET; SANTA FE CIVIC HOUSING AUTHORITY, INC. (KATHY MCCORMICK)

This item was withdrawn from the agenda by staff.

33. OTHER FINANCIAL INFORMATION

There was no other financial information.

34. MATTERS FROM THE COMMITTEE

Chair Heldmeyer said a discussion of items for the March 2008 ballot will be on the next Committee Agenda, along with a discussion of Council policy on alternative fuel vehicles and Charter Amendments with fiscal impacts – public financing and ranked choice voting.

Councilor Ortiz believes the Parks initiative will be ready for discussion by that time as well.

Chair Heldmeyer said it can be added to the Agenda.

Responding to Councilor Calvert, Chair Heldmeyer said the Resolution adopted by the Council on alternative fuels provides that staff should order alternative fuel vehicles whenever possible, and there is some discussion about what constitutes "whenever possible."

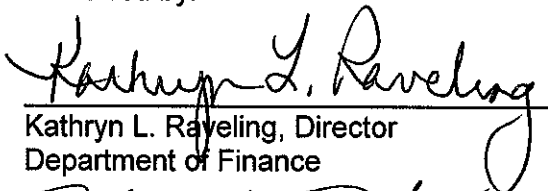
32. ADJOURNMENT

There being no further business to come before the Committee, and the Committee having completed its Agenda, the meeting was adjourned at 8:45 p.m.

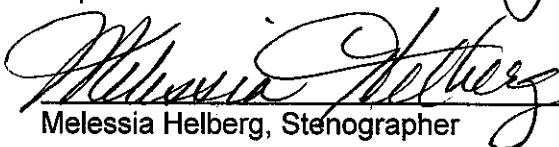


Karen Heldmeyer, Chair

Reviewed by:



Kathryn L. Raveling, Director
Department of Finance



Melessia Helberg, Stenographer